



NOTICE OF PUBLIC MEETING OF THE ARIZONA STATE PARKS BOARD

Notice is hereby given to Members of the Arizona State Parks Board (Board) and the general public that there will be a Special Parks Board meeting, to begin on **Friday, April 22, 2011 at 1:30PM** pursuant to A.R.S. § 38-431.02 and A.R.S. § 41-511.01 *et. seq.* at the **Arizona State Parks Offices** in the **First Floor Conference Room** located at **1300 W. Washington St., Phoenix, AZ** or by calling **1-866-751-5726**, then enter meeting room number ***1731258*** (you must enter stars). The public portion of the meeting will begin at 1:30PM (time certain).

The Board may elect to hold an Executive Session for any agendized item at any time during the meeting to discuss or consult with its legal counsel for legal advice on matters listed on this agenda pursuant to A.R.S. §38-431.03 (A) (3). Items on the Agenda may be discussed out of order, unless they have been specifically noted to be set for a time certain. Public comment will be taken. The Board will discuss and may take action on the following matters.

AGENDA

(Agenda items may be taken in any order unless set for a time certain)

- A. CALL TO ORDER - ROLL CALL – Time Certain: 1:30PM
- B. PLEDGE OF ALLEGIANCE
- C. INTRODUCTIONS OF BOARD MEMBERS AND AGENCY STAFF
 - 1. Board Statement - "As Board members we are gathered today to be the stewards and voice of Arizona State Parks and its Mission Statement to manage and conserve Arizona's natural, cultural, and recreational resources for the benefit of the people, both in our parks and through our partners."
- D. CALL TO THE PUBLIC – Consideration and discussion of comments and complaints from the public. Those wishing to address the Board must register at the door and be recognized by the Chair. It is probable that each presentation will be limited to one person per organization. Action taken as a result of public comment will be limited to directing staff to study or reschedule the matter for further consideration at a later time.
- E. BOARD ACTION ITEMS
 - 1. Consider Requesting Joint Legislative Budget Committee (JLBC) Review to Backfill \$1.491 million from Enhancement Fund to State Lake Improvement Fund (SLIF) in FY 2011 – Staff recommends the Arizona State Parks Board direct staff to coordinate with the Governor's Office of Strategic Planning and Budgeting (OSPB), the State Comptroller and the Joint Legislative Budget Committee (JLBC) staff to request a favorable review from the JLBC of

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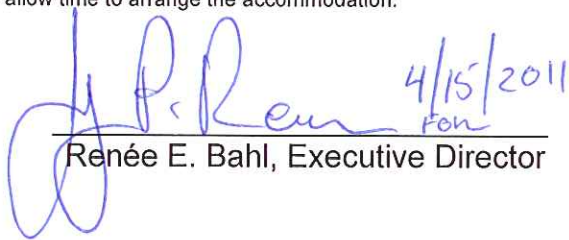
a transfer of \$1.491 million from the Enhancement Fund to the State Lake Improvement Fund (SLIF) in FY 2011.

F. TIME AND PLACE OF NEXT MEETING AND CALL FOR FUTURE AGENDA ITEMS

1. **Staff recommends that the next Arizona State Parks Board Meeting be on Wednesday, May 11, 2011 at the Arizona State Parks offices in Phoenix, AZ.**
2. **Board members may wish to discuss issues of interest to Arizona State Parks and request staff to place specific items on future Board meeting agendas.**

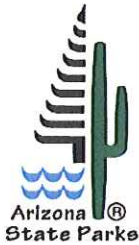
G. ADJOURNMENT

Pursuant to Title II of the Americans with Disabilities Act (ADA), Arizona State Parks does not discriminate on the basis of a disability regarding admission to public meetings. Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the acting ADA Coordinator, Nicole Armstrong-Best, (602) 542-7152; or TTY (602) 542-4174. Requests should be made as early as possible to allow time to arrange the accommodation.

A handwritten signature in blue ink, appearing to read "R. Bahl", with the date "4/15/2011" written to the right. Below the signature is a horizontal line, and underneath that line is the printed name "Renée E. Bahl, Executive Director".

Renée E. Bahl, Executive Director

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Title: Consider Requesting Joint Legislative Budget Committee (JLBC) Review to Backfill \$1.491 million from Enhancement Fund to State Lake Improvement Fund (SLIF) in FY 2011

Staff Lead: Kent Ennis, Assistant Director

Date: April 22, 2011

Recommended Motion:

I move that the Arizona State Parks Board direct staff to coordinate with the Governor's Office of Strategic Planning and Budgeting (OSPB), the State Comptroller and the Joint Legislative Budget Committee (JLBC) staff to request a favorable review from the JLBC of a transfer of \$1.491 million from the Enhancement Fund to the State Lake Improvement Fund (SLIF) in FY 2011.

Status to Date:

Laws 2011, First Regular Session, Chapter 24, states "Notwithstanding any other law, in fiscal years 2010-2011 and 2011-2012 a budget unit may request a cash transfer between its own funds from the state comptroller to comply with a reduction or transfer required by this act."

Following passage of Laws 2011, Chapter 24, the SLIF received an additional \$1.491 million sweep in FY 2011. The total FY 2011 SLIF sweeps are \$2.45 million. The sweep effectively removes 50% of the original \$3 million estimated FY 2011 ending cash balance.

In addition, Chapter 24 requires a sweep of \$2.09 million to the Enhancement Fund in FY 2012. SB 1612 appropriates \$8.9 million of Enhancement Fund to the agency for FY 2012 operations. Arizona State Parks (ASP) requested a \$10 million Enhancement Fund appropriation, leaving an operating shortage of \$1.1 million for FY 2012. This operating shortage most directly impacts Enhancement Fund budget for major park repair, maintenance and replacement during FY 2012.

With the elimination of the State Parks Heritage Fund after June 30, 2011, the agency is left with no capital funding source for FY 2012. Laws 2011, Chapter 36 includes an additional \$250,000 appropriated reduction from the Law Enforcement Boating Safety Fund (LEBSF). Agency interest earnings continue to decline, and if retail gas prices remain at current elevated levels we expect that both the Enhancement Fund and SLIF will show declining revenues due to reduced consumer demand.

Staff recommends utilizing the fund transfer, or "backfill," tool to backfill the \$1.491 million sweep from Enhancement Fund to SLIF in order to provide additional operating funding in FY 2012, including asset maintenance and repairs.

Agency financial resources will be further constrained in FY 2012 if this backfill is not implemented. Enhancement Fund cash in excess of the FY 2012 appropriation will not

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be available to the Board for agency operations and maintenance. Transferring cash from the Enhancement Fund to SLIF will provide the flexibility to allocate funding for this purpose in FY 2012.

The risks to spending the backfilled SLIF balances in FY 2012 will appear in FY 2013. Based on the current FY 2012 Board spending budget approved June 15, 2010, there will be lower SLIF and Enhancement Fund balances going into FY 2013. In addition, there is no currently legislated approval for FY 2013 to renew the one-year usage of LEBSF for agency operations, currently estimated to be \$1.0 million for FY 2012.

All transfers must be favorably reviewed by the JLBC and coordinated with the Governor's OSPB and State Comptroller.

Time Frame:

Staff will present this request for the fund transfer to OSPB, the State Comptroller, and JLBC staff immediately on approval by the Board. The JLBC will provide either a "favorable" or "unfavorable" review. The JLBC has not scheduled its next meeting. JLBC must take action on this request before June 30, 2011.

Staff and Financial Resources:

No additional expenses will be realized as staff can complete this task within current duties.

Relation to Strategic Plan:

Resources: To provide sustainable management of our natural, cultural, recreational, economic and human resources.

Relevant Past Board Actions:

The Board approved FY 2011 and FY 2012 agency budgets on June 15, 2010.

The Board has previously approved agency fund backfills to meet Legislative sweeps on August 3, 2009 and February 17, 2010.

Attachments:

Impacts to FY2012 and FY2013 Cash Balances – Page 4a

Arizona State Parks
Laws 2011, 1st Regular Session, Chapter 24, Section 110
Backfill Request/Cash Balances Analysis for SLIF and Enhancement Fund

	SLIF	Enhancement Fund
Current Est. Cash Balance Forward into FY 2012		
Estimated FY 2012 Revenues	\$1,562,300	\$7,500,500
SB 1612 Sec 110 Legislated Sweep for FY 2012	\$4,900,000	\$10,000,000
Current SLIF FY 2012 Board Budget	\$0	(\$2,090,000)
SB 1612 Sec 74 Appropriation Limit for FY 2012	(\$5,250,000)	\$0
	<u>\$0</u>	<u>(\$8,941,600)</u>
Current Est. Cash Balance Forward into FY 2013		
Backfill Request - Transfer Cash from EF to SLIF	\$1,212,300	\$6,468,900
	<u>\$1,491,100</u>	<u>(\$1,491,100)</u>
Est. Cash Balance into FY 2013 with Backfill	\$2,703,400	\$4,977,800